



## VIA E-MAIL

December 22, 2025

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Financial and Consumer Services Commission of New Brunswick  
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities, Newfoundland and Labrador  
Northwest Territories Office of the Superintendent of Securities  
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**Re: CSA Notice of Publication and Request for Comment – Proposed Coordinated Blanket Order 51-933 *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers*; Proposed Ontario Securities Commission Rule 51-507 *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers***

## OVERVIEW

The Portfolio Management Association of Canada (**PMAC**) is pleased to have the opportunity to submit the following comments on the Canadian Securities Administrators (**CSA**) Notice of Publication and Request for Comment – Proposed Coordinated Blanket Order 51-933 *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers* and Proposed Ontario Securities Commission Rule 51-507 *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers* (collectively, the **Consultation**).

PMAC represents over 330 investment management firms registered to do business in Canada as portfolio managers (**PMs**) with the members of the CSA. Approximately 60% of PMAC's members are also registered as investment fund managers (**IFMs**). PMAC's members encompass both large and small firms managing total assets in excess of \$4 trillion as fiduciaries for institutional and private client portfolios. As of 2022, just under half (46%) of PMAC's members serve institutional clients. PMAC's mission statement is "advancing standards". We are consistently supportive of measures that elevate standards in the industry, enhance transparency, improve investor protection, and benefit the capital markets as a whole.

## **KEY RECOMMENDATION**

- 1. Proceed with the pilot project as described, and carefully analyze any resulting impact on issuers, investors and the capital markets before making permanent changes or expanding the changes to other categories of issuers.**

## **GENERAL COMMENTS**

PMAC acknowledges the work the CSA is doing to reduce regulatory burden and increase competition in Canada's capital markets, especially given the current economic uncertainty. Providing blanket exemptions from certain continuous disclosure requirements and establishing the voluntary semi-annual reporting framework may contribute to reducing regulatory burden for the relevant issuers. There may also be a benefit to harmonizing these requirements to semi-annual reporting rules in other international jurisdictions.

However, we are concerned that there are risks associated with providing less disclosure to investors, which may make the changes less impactful, and result in unintended consequences. Although we support the pilot project as such, we also agree with the concerns set out by the Canadian Coalition for Good Governance (**CCGG**) in its [submission dated December 2, 2025](#), and therefore urge the CSA to proceed with caution.

We agree that the CSA should proceed with this initiative as a pilot project, restricted to eligible venture issuers as described in the Consultation. These issuers are likely to derive the most benefit from the proposals, and the pilot project may provide useful data that can be used to determine whether more permanent changes to the disclosure regime are desirable. Any outcomes of the pilot project should be carefully analyzed before embarking on a rule-making process or expanding the changes to other categories of issuers.

In response to the Capital Markets Modernization Taskforce (CMMT) proposal to allow smaller and venture issuers to file semi-annual financial statements,<sup>1</sup> PMAC stated:

Although members are generally in favour of proposals that reduce regulatory burden, there is concern that there could be unintended consequences that arise from this proposal. For example, this could result in a loss of information or uneven

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<sup>1</sup> Capital Markets Modernization Taskforce, *Consultation Report, July 2020*, at page 11, item 6. Ultimately the CMMT recommended semi-annual reporting for these smaller issuers, subject to certain conditions. See Capital Markets Modernization Taskforce, *Final Report, January 2021*, at page 35, item 14

information being available to PMs and investors. If this proposal is motivated by arguments that quarterly reporting forces issuers to engage in more short-term planning horizons, more empirical validation should be obtained to confirm this.

The SEC has recently proposed moving towards semi-annual streamlined reporting for open-ended funds. Members emphasized the need to align Canadian requirements with U.S. reporting. If cross-listed issuers (i.e. those listed on exchanges in both Canada and the U.S.) have different reporting timelines and obligations, it could jeopardize accommodations for Canadian issuers under the Canada/U.S. Multijurisdictional Disclosure System (MJDS) by causing the SEC to question whether there continues to be substantial similarity between U.S. and Canadian reporting requirements.

If requirements are not aligned with those in the U.S., it will be more difficult for investors to compare U.S. and Canadian firms, potentially impeding the ability to raise capital in the U.S. (and possibly globally), given investors' expectation to receive quarterly financial statements.

It is difficult to understand how the requirements would apply differently to small versus large issuers. Presumably an issuer could voluntarily make more frequent disclosures if deemed appropriate. Alternatively, the system could be set up so that issuers that are taking the benefit of more sophisticated fundraising approaches – such as shelf prospectuses, bought deals, ATM offerings, or repeated capital raisings – need to provide quarterly disclosure. Additional detail as to the particulars of this proposal would assist members in evaluating it more fully.

We expect that the pilot project, along with the data it generates, may offer insights into several of these issues.

We agree with all of the concerns highlighted by CCGG in its submission, which include, among others:

- the proposed changes may result in decision-useful information for investors being removed from the public realm
- there will be different disclosure cycles for different types of issuers
- the inconsistent disclosure created by the voluntary regime will diminish comparability among similar types of issuers
- diminished frequency of disclosure may make these issuers less attractive to investors; and,
- the issuers targeted by the proposal may need to create similar disclosures for their banking, credit and other services which will not be publicly available to investors.

For the reasons cited by the CCGG, we encourage the CSA to take a cautious approach, and to carefully consider whether the pilot project is successful, before making similar changes more permanent and expanding them to other issuers.

We believe that the market may determine what disclosure is expected from investors, and that less frequent reporting may ultimately be detrimental to these issuers' ability to raise

capital. It will be interesting to see how many issuers take advantage of the blanket orders, and for what period of time. As the CCGG noted in its submission, a 2019 study in Europe indicated that only 11% of eligible issuers were taking advantage of optional semi-annual reporting after two years. We urge the CSA to carefully monitor the outcome to determine whether the semi-annual reporting is in fact beneficial to these issuers.

We encourage the CSA to also review and consider the experience in other jurisdictions where less-frequent reporting is permitted, to determine whether issuers took advantage of this option, whether it impacted their ability to raise capital, and whether there have been other positive or negative consequences. As the CCGG noted, one European study indicated that semi-annual reporting led to a decline in liquidity, attributed to investors' limited access to necessary information. The CCGG also notes that increased reporting frequency may place Canadian issuers at a competitive advantage and facilitate capital raising, owing to the enhanced transparency provided to investors.

## **CONSULTATION QUESTIONS**

1. Do you agree with the eligibility criteria and conditions in the Blanket Order for the SAR Pilot? Are there any other eligibility criteria that should disqualify issuers from participating in the SAR Pilot? Are there any other conditions that issuers participating in the SAR Pilot should be subject to?

We agree that the pilot project should be limited to the issuers described in the Consultation. We agree with CCGG that issuers should be required to file an annual notice of their intention to rely on the blanket order, and should also be required to file a notice if they no longer qualify for the relief. This will provide important additional transparency to investors.

2. The SAR Pilot is intended to be a multi-year pilot project. The CSA intends to engage in a formal rule-making project to consider whether the SAR Pilot should be adjusted in terms of scope, eligibility and conditions. Please provide any feedback in respect of criteria or conditions that could be considered as part of the future rule-making project.

As noted above, we would not support additional rule-making until the pilot project produces multiple years of data, and until the data can be properly analyzed and understood. The CSA should take a cautious approach to any future rule-making, especially if this would expand permitted semi-annual reporting to other issuers.

We also agree with the CCGG's comments on the need to monitor material fact and material change disclosures, which are required to be made more frequently. The proposed semi-annual reporting pilot project should not impact these important disclosures, and the CSA should be vigilant to ensure that this disclosure is timely and comprehensive. These material fact and material change disclosures will carry greater importance since semi-annual reporting delays investors' ability to promptly observe impacts on financial performance.

## **CONCLUSION**

We thank you for the opportunity to respond to this Consultation. This period of profound uncertainty presents an opportunity for the CSA to focus on measures that best serve Canadian capital markets and to consider changes to modernize our disclosure regime. However, confidence in our capital markets relies on investors having the information and transparency needed to make sound investment decisions. We recommend using this pilot project to generate the data and insights needed to inform future decisions that achieve the right balance among these competing considerations.

We would be pleased to discuss any of our comments with you at your convenience. Please do not hesitate to contact Katie Walmsley at (416) 504-7018 or Victoria Paris at (416) 504-7491.

Yours truly,

## **PORTFOLIO MANAGEMENT ASSOCIATION OF CANADA**

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